

ASTON SCIENCE PARK LIMITED  
(REGISTERED NUMBER 3089755)

DIRECTORS' REPORT AND ACCOUNTS

30 June 1998



## **ASTON SCIENCE PARK LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1998**

The directors present their report together with the audited financial statements of the company for the year ended 30 June 1998.

#### **PRINCIPAL ACTIVITIES**

The company is an investment property company. Investment properties are located within the Aston Science Park.

#### **RESULTS AND TRADING**

The results for the year are set out on page 4. The loss for the year of £92,676 has been transferred to reserves.

The directors do not propose to pay a dividend in respect of the financial year.

#### **DIRECTORS AND THEIR SHARE INTERESTS**

The directors during the year and up to the date of this report were:

ALS Jackson	(Chairman)	(appointed 11 October 1997)
MJ Brooks		(appointed 11 October 1997)
RDA Packham		(appointed 11 October 1997)
DW Harris		(resigned 11 October 1997)
RM Green		(resigned 11 October 1997)
A Slater		(appointed 11 October 1997)
MT Wright		(appointed 11 October 1997)
T Regan		(appointed 11 October 1997)

None of the directors had any interest (beneficial or otherwise) in the share capital of the company at 30 June 1998 or at any time during the year.

#### **YEAR 2000 COMPLIANCE**

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

## **ASTON SCIENCE PARK LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1998 (CONTINUED)**

#### **EUROPEAN MONETARY UNION (EMU)**

There will be limited immediate impact on the company of the EMU. However, the key business issues that are likely to arise in the future from the introduction of the Euro are being addressed by the management.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

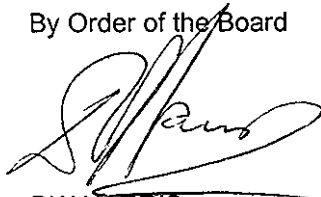
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

From 1 July 1998, Price Waterhouse and Coopers & Lybrand merged to form PricewaterhouseCoopers. Consequently, Price Waterhouse resigned as auditors of the company and PricewaterhouseCoopers have been appointed to fill the casual vacancy.

PricewaterhouseCoopers have indicated their willingness to be re-appointed.

By Order of the Board



DW HARRIS  
Secretary

26 January 1999

PricewaterhouseCoopers  
Cornwall Court  
19 Cornwall Street  
Birmingham B3 2DT  
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Facsimile +44 (0) 121 200 2464

## AUDITORS' REPORT TO THE MEMBERS OF ASTON SCIENCE PARK LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

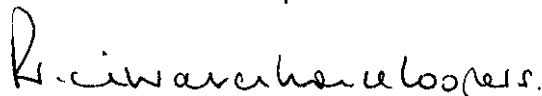
### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants**  
**and Registered Auditors**

26 January 1999

# ASTON SCIENCE PARK LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
<b>TURNOVER</b>			
Rental income	1(3)	90,324	-
Administrative expenses		(186,226)	(5,316)
<b>OPERATING PROFIT</b>		(95,902)	(5,316)
Interest receivable	2	<u>3,226</u>	<u>4,648</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	(92,676)	(668)
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	11	<u>(£92,676)</u>	<u>(£668)</u>

The results of the company arises entirely from the continuing activities of the company.

The loss for the period includes all recognised gains and losses in the period. There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

# ASTON SCIENCE PARK LIMITED

## BALANCE SHEET - 30 JUNE 1998

	Notes	<u>1998</u>	<u>1997</u>
<b>FIXED ASSETS</b>			
Investment properties	5	6,044,554	4,350,401
<b>CURRENT ASSETS</b>			
Debtors	6	440,374	401,450
Cash at bank		<u>58,844</u>	<u>14,122</u>
		499,218	415,572
<b>CREDITORS (amounts falling due within one year)</b>	7	<u>(1,050,982)</u>	<u>(915,718)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(551,764)</u>	<u>(500,146)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,492,790	3,850,255
<b>CREDITORS (amounts falling due after more than one year)</b>	8	(3,078,816)	(2,108,319)
Provisions for liabilities and charges	9	<u>(2,457,318)</u>	<u>(1,692,604)</u>
		<u>(£43,344)</u>	<u>£49,332</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	10	50,000	50,000
Profit and loss account	11	<u>(93,344)</u>	<u>(668)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(£43,344)</u>	<u>£49,332</u>

Approved by the Board and signed on its behalf on 26 January 1999

  
 ALS Jackson  
 DIRECTOR

## ASTON SCIENCE PARK LIMITED

### MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1998</u>	<u>1997</u>
Loss for the financial year	(92,676)	(668)
Issue of share capital	<u>-</u>	<u>49,998</u>
<b>NET ADDITION TO SHAREHOLDERS' FUNDS</b>	(92,676)	49,330
<b>OPENING SHAREHOLDERS' FUNDS</b>	<u>49,332</u>	<u>2</u>
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<u>(£43,344)</u>	<u>£49,332</u>

# ASTON SCIENCE PARK LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1998

### 1 ACCOUNTING POLICIES

#### (1) Basis of preparation

The accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards. Compliance with SSAP 19 "Accounting for Investment properties" requires departure from the requirements of Companies Act 1985 relating to depreciation and amortisation and an explanation of the departure is given in note 1(2) below.

#### (2) Investment properties

Investment properties are stated at cost during the course of construction and market value when complete and available for letting. Cost includes interest capitalised during development and up to the time when the majority of the property is let and other professional fees.

In accordance with an amendment to SSAP 19, movements in the valuation of investment properties are shown in the statement of total recognised gains and losses, with the sole exception that deficits on individual investment properties that are expected to be permanent are charged to the profit and loss account.

No provision is made for amortisation of leasehold properties held on leases having more than 20 years unexpired. This departure from the requirements of the Companies Act 1985, which required all properties to be depreciated, is, in the opinion of the directors, necessary for the accounts to show a true and fair view in accordance with applicable accounting standards.

The amortisation (which would, had the provision of the Act been followed, have resulted in an additional charge to the profit and loss account) is only one of the factors reflected in the annual valuation and the amount attributable to this factor cannot reasonably be separately identified or quantified.

#### (3) Rental income

Rental income includes rent received and receivable in the year.

#### (4) Grants

Revenue grants are credited to the profit and loss account in the period in which the corresponding costs are charged.

Capital grants and contributions received for the development of investment properties are included in provisions for liabilities and charges. When investment properties are revalued, the corresponding capital grant is deducted from the gross cost of the property in determining the revaluation surplus or deficit.

#### (5) Statement of cash flows

As the company qualifies as a small company as defined in Section 247 Companies Act 1985, the company has exercised its right in accordance with Financial Reporting Standard 1 not to produce a statement of cash flows.



# ASTON SCIENCE PARK LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1998 (CONTINUED)

### 2 INTEREST RECEIVABLE

	<u>1998</u>	<u>1997</u>
On money market deposits	£3,226	£4,648
	<u>          </u>	<u>          </u>

### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging the following amounts:

	<u>1998</u> £	<u>1997</u> £
Auditor's remuneration:		
Audit fees	3,000	5,000
Non-audit fees	-	-
	<u>          </u>	<u>          </u>

None of the directors received any emoluments during the year in respect of their services to the company.

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no tax charge on the profit for the year (1997 - £Nil).

There is no deferred tax charge during the year and no unprovided liability.

There are surplus non-trading debits carried forward for relief against future profits amounting to £537,000 at 30 June 1998 (1997 - £259,000).

### 5 INVESTMENT PROPERTIES

	<u>1998</u>
<b><u>Cost or valuation</u></b>	
At 30 June 1997	4,350,401
Construction	2,000,912
Contributions to investment properties	<u>(306,759)</u>
Cost at 30 June 1998	<u>£6,044,554</u>

# ASTON SCIENCE PARK LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1998 (CONTINUED)

### 6 DEBTORS

	<u>1998</u>	<u>1997</u>
Trade	83,006	-
Amounts owed by associates	342,635	-
Other debtors	7,874	101,219
Prepayments and accrued income	<u>6,859</u>	<u>300,231</u>
	<u>£440,374</u>	<u>£401,450</u>

### 7 CREDITORS (amounts falling due within one year)

	<u>1998</u>	<u>1997</u>
Trade creditors	34,065	9,071
Amounts owed to associates	782,938	365,378
Accruals and deferred income	<u>233,979</u>	<u>541,269</u>
	<u>£1,050,982</u>	<u>£915,718</u>

### 8 CREDITORS (amounts falling due after more than one year)

	<u>1998</u>	<u>1997</u>
Retention on construction loans	78,816	108,319
Württembergische Hypothekenbank AG	<u>3,000,000</u>	<u>2,000,000</u>
	<u>£3,078,816</u>	<u>£2,108,319</u>

The loan from Württembergische Hypothekenbank is part of a total facility of £7.5 million. Further drawdowns will be made against this loan as construction of Phase 7 of Aston Science Park continues. The total facility is due for repayment over 6 years commencing in 2006.

### 9 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1998</u>
	<u>Capital Grants</u>
At 1 July 1997	1,692,604
Grants received during the year	859,640
Less prior year contributions	<u>(94,926)</u>
At 30 June 1998	<u>£2,457,318</u>

# ASTON SCIENCE PARK LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1998 (CONTINUED)

### 10 CALLED UP EQUITY SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
Authorised:		
'A' Ordinary shares of £1 each	23,000	23,000
'B' Ordinary shares of £1 each	<u>27,000</u>	<u>27,000</u>
	£50,000	£50,000
	<u>          </u>	<u>          </u>
Allotted and fully paid:		
'A' Ordinary shares of £1 each	23,000	23,000
'B' Ordinary shares of £1 each	<u>27,000</u>	<u>27,000</u>
	£50,000	£50,000
	<u>          </u>	<u>          </u>

The 'A' Ordinary and 'B' Ordinary shares are separate classes of shares but carry the same rights and privileges and rank pari passu in all respects. This includes equality in voting rights and the rights to any remaining assets in the event of the company being wound up.

### 11 RESERVES

	<u>Profit and loss account</u>
At 30 June 1997	(668)
Profit for the year	<u>(92,676)</u>
At 30 June 1998	<u>(£93,344)</u>

### 12 RELATED PARTY DISCLOSURES

Aston Science Park Limited is an associated undertaking of the Birmingham Technology Limited group.

At the year end the company had received a loan of £782,938 (1997 : £365,379) from the group to enable it to construct Phase VII of the Science Park.

During the year rent of £4,844 on the Phase VII property was payable to the group under a long term leasing arrangement. The rentals are calculated on an arms length basis and at normal market rates.

In addition, the group provides various accounting and administrative services to the company. The amount recharged in respect of these services for the year ended 30 June 1998 was £Nil (1997 : £Nil).

The company's interest payments to Württembergische Hypothekenbank AG on the loan facility provided by that bank have been guaranteed by the group.